



**UNIVERSITI PUTRA MALAYSIA**

**CUSTOMER AND EMPLOYEE SERVICE  
QUALITY MANAGEMENT IN THE AIRLINE INDUSTRY**

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**CUSTOMER AND EMPLOYEE SERVICE QUALITY MANAGEMENT  
IN THE AIRLINE INDUSTRY**

**By**

**CESSIE SYLVIA PETCHI**

**Thesis Submitted to the Graduate School of Management, Universiti Putra Malaysia,  
in partial Fulfillment of the Requirements for the Degree of Master Science**

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Abstract of thesis presented to the Senate of Universiti Putra Malaysia in partial fulfillment of the requirement for the degree of Master of Science

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**Chairman: Raduan Che Rose, Ph.D**

**Faculty: Graduate School of Management**

Fierce competition has raised standards leading customers to expect higher standards of service, and customers are ideal for appraising how well employees have provided quality service because they interact directly with the employees. Quality of service in the airline also depends greatly on the quality of the employees, as dissatisfied employees would not perform a service at the required level, and this would affect the service delivery

This study examined the customers' perceptions and expectations of service quality, and the service-performance gap that measures the employees' job satisfaction in Singapore Airlines (SIA) and Malaysia Airlines (MAS), to reveal the status of the level of service quality as perceived by their customers (customers' satisfaction), as well as the level of employees' job satisfaction in each company

The SERVQUAL questionnaire comprising of five major service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) was used to

measure the customers' perceptions of service quality, and a total of 200 customers from each airline company were approached. The employees' perceptions of job satisfaction were measured through a service quality questionnaire developed by Parasuraman *et al.*, (1998), that addresses the seven key contributing factors (teamwork, employee job-fit, technology job-fit, perceived control, supervisory control systems, role conflict, and role ambiguity) that affects the job performance. The total population of the employees of SIA (60 employees), and 83 employees from MAS answered the job satisfaction questionnaires.

The findings revealed that the customers' perceptions of service quality in SIA, in the responsiveness dimension match their expectations, indicating that the level of quality in this particular dimension is excellent. However, SIA and MAS had exceeded their customers' expectations in the tangibility dimension. In SIA, responsiveness dimension was found to be the most important factor influencing customers' satisfaction, followed by empathy and tangibility. In MAS, empathy was found to influence the customers' perceptions, followed by assurance, responsiveness, and reliability. By measuring the employees' performance gap, role conflict was found to affect the employees' job satisfaction in SIA, while role conflict and role ambiguity were found to affect the employees' job satisfaction in MAS, indicating a need to reduce the occurrence of these factors in order to increase the employees' job satisfaction.

This study suggests that the management of both the airline companies work towards improving their services in all the dimensions of service quality, and

monitor the employees' work development, as it is vital for any company to continually monitor their performance in order to excel in a competitive environment. Even though both companies are recognized for their excellent service, there will always be room for improvement, as the environmental change does affect the performance of a company.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi sebahagian keperluan untuk ijazah Master Sains

**PENGURUSAN SERVIS KUALITI PARA PELANGGAN DAN  
KAKITANGAN DALAM INDUSTRI PENERBANGAN**

Oleh

**CESSIE SYLVIA PETCHI**

**Disember 2003**

**Pengerusi: Raduan Che Rose, Ph.D.**

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Persaingan hebat dalam industri pengangkutan udara telah meningkatkan ekspektasi para pelanggan, dan para pelanggan adalah ideal dalam menilai perkhidmatan yang diberikan oleh kakitangan sesebuah syarikat penerbangan kerana mereka berinteraksi secara langsung dengan kakitangan tersebut. Kualiti sesebuah syarikat penerbangan juga bergantung kepada kualiti kakitangan mereka. Ini adalah kerana kakitangan yang tidak puas hati dengan kerja mereka, tidak akan menjalankan tugas mereka pada tahap yang diinginkan, dan ini akan menjejaskan kualiti perkhidmatan syarikat tersebut.

Kajian ini telah menyelidik ekspektasi dan persepsi para pelanggan terhadap perkhidmatan yang diberikan, serta persepsi kakitangan tentang kepuasan pekerjaan mereka di Singapore Airlines (SIA) dan Malaysia Airlines (MAS), untuk menunjukkan status kualiti perkhidmatan dari sudut kepuasan pelanggan, serta tahap kepuasan kakitangan kedua-dua buah syarikat tersebut.

Kajian soal selidik SERVQUAL yang mengkaji lima dimensi utama kualiti perkhidmatan telah digunakan untuk menyoal seramai 200 para pelanggan dari SIA dan MAS masing-masing. Persepsi kakitangan tentang kepuasan yang dinikmati dalam pekerjaan mereka telah dikaji menggunakan soal selidik yang direka khas oleh Parasuraman *et al.*, (1998) untuk menilai kepuasan kakitangan sesebuah syarikat. Seramai 60 kakitangan SIA, dan 83 kakitangan MAS telah dirujuk untuk menjawab soal selidik tersebut.

Hasil kajian ini menunjukkan bahawa para pelanggan SIA amat berpuas hati dengan perkhidmatan yang diberikan dalam dimensi 'responsiveness'. Satu kesamaan yang dijumpai adalah, para pelanggan SIA dan MAS amat berpuas hati dengan perkhidmatan yang diberikan dalam dimensi 'tangibility'. Bagi SIA, dimensi yang paling penting dalam mempengaruhi persepsi para pelanggan adalah 'responsiveness', diikuti dengan 'empathy' dan 'tangibility'. Bagi MAS pula, dimensi 'empathy' merupakan faktor yang paling penting dalam mempengaruhi persepsi para pelanggan, diikuti dengan 'assurance', 'responsiveness', dan 'reliability'. Kajian kepuasan kakitangan membuktikan bahawa faktor 'role conflict' mempengaruhi kepuasan kakitangan SIA, manakala 'role conflict' dan 'role ambiguity' mempengaruhi kepuasan kakitangan MAS. Oleh kerana itu, kekerapan kedua-dua faktor tersebut harus dikurangkan supaya kepuasan kakitangan dapat ditingkatkan.

Kajian ini megesyorkan bahawa SIA dan MAS perlu meningkatkan perkhidmatan mereka dalam semua dimensi, kerana adalah penting bagi sesebuah syarikat untuk

mengawasi dan meningkatkan prestasi mereka untuk mencapai kecermerlangan dalam sebuah undustri yang sering bersaing. Walaupun SIA dan MAS terkenal kerana kecermerlangan dalam perkhidmatan mereka, kajian ini membuktikan bahawa adanya peluang untuk meningkatkan perkhidmatan mereka.



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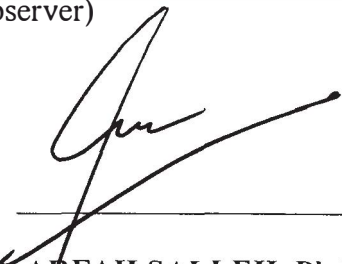
I certify that an Examination Committee met on **15<sup>th</sup> October 2003** to conduct the final examination of **Cessie Sylvia Petchi** on her **Master of Science** thesis entitled **“Customer and Employee Service Quality Management in the Airline Industry”** in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

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## DECLARATION

I hereby declare that the thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or other institutions.

*Cessie*

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**CESSIE SYLVIA PETCHI**

Date: 15/12/03

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# CHAPTER I

## INTRODUCTION

### Background of Study

Quality has become the epitome of business people, government officials, and business and economic scholars. Customers, employees as well as the management of organizations have placed great emphasis on quality. Quality and quality control measures have long existed for tangible goods, but there are only a few such measures that have conventionally existed for services. This is because quality is difficult to define, describe and measure in services. Quality is determined by imprecise individual factors, such as perceptions, expectations and experiences of customers. While almost everyone recognizes the prevalent effect of quality, they are also at the same time having difficulties in grasping its dimensions.

The service sector has become an essential aspect of many countries. In many parts of the world, up to 70 percent of the employees work is related to service organizations. Net increases in the number of jobs in many economies stem mainly from service organizations, both private businesses and governmental bodies (Carlzon, I., 1991). The need to manage service quality is becoming more urgent as links between service quality and business performance is becoming apparent.

The role of service quality is widely recognized as being a critical determinant for the success of an organization in today's competitive environment. Any decline in



customer satisfaction due to poor service quality would be a matter of concern. Customers being more aware of rising standards in service, prompted by competitive trends, have developed higher expectations. Service organizations now have to serve an increasingly discerning public who are more eager than ever to complain and transfer their allegiances to perceived providers of quality services (Palmer, 1998). This fact, coupled with the increasingly hostile nature of the business environment has forced many within this sector to invest in the delivery of higher levels of service quality as a means of achieving competitive differentiation (McColl *et al* 1998).

An integral part of any organization's attempt to achieve competitive differentiation, is a commitment to a process of sustained quality improvement. Inherent in any such approach is the need to continually monitor internal and external performance so that organizational efforts can be better directed at consistently satisfying customer needs (Lee *et al.*, 2000).

This requires the support of a systematic approach to quality measurement (Ford and Bach, 1997). Ford *et al.*, (1999) states that interest in the measurement of service quality has mounted and measuring the quality of the service experience is now an integral part of most managers' responsibilities. Managing a service operation requires the manager to understand the service concept, service delivery system, and service levels. As the customer has a key role in the definition and evaluation of all three elements, it is imperative that service managers have a clear understanding of customer expectations and perceptions.